

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1323 - SB 1173**

March 5, 2017

**SUMMARY OF BILL:** Creates the “Opioid Abuse Block Grant Act.” Requires the Department of Health (DOH) to develop standards and guidelines for the submission of proposals for grant applications under the program and for the manner in which grant applications will be selected and approved. Authorizes block grant funds to be used to fund research, treatment, or other programs designed to combat opioid addiction. Prohibits block grant funds from being used for salaries or other recurring expenditures. Requires each block grant entity, by April 1, 2018, to submit a written report on the use of block grant funds to the DOH, the Finance, Ways and Means Committees of the Senate and the House of Representatives, the Health Committee and Welfare Committee of the Senate, the Health Committee of the House of Representatives, and the Directors of the Office of Legislative Budget Analysis. Appropriates \$100,000,000 for opioid abuse block grants from excess state tax revenue over-collected in FY15-16 and FY16-17 and deposited in the General Fund.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$100,056,000/One-Time  
\$1,013,600/Recurring**

**Other Fiscal Impact – To the extent additional appropriations are made for this purpose after awarding the initial \$100,000,000 of block grants, there will be additional increases in state expenditures; the extent and timing for which are unknown and dependent upon unknown factors.**

**Assumptions:**

- Based on information provided by the Department of Finance and Administration, revenue collections for FY15-16 are already budgeted in the Governor’s recommended budget.
- Final accrued revenues for FY16-17 will not be determined until after the specified date, September 1, 2017, by which grants are required to be distributed.
- The \$100,000,000 in proposed funding for opioid abuse block grants will require an additional one-time appropriation from the General Fund to effectuate the purpose of the bill.
- Based on information provided by the DOH, the proposed legislation cannot be accommodated within existing resources. The DOH will require 12 additional positions to develop standards and guidelines and for administering the on-going program.

**HB 1323 - SB 1173**

- The one-time increase in state expenditures associated with the additional positions is estimated to be \$56,000 (\$23,600 computer cost + \$32,400 office furniture).
- The total one-time increase in state expenditures is estimated to be \$100,056,000 (\$100,000,000 + \$56,000).
- The recurring increase in state expenditures associated with the additional positions is estimated to be \$1,013,606 (\$710,600 salaries + \$201,006 benefits + \$94,800 administrative cost + \$7,200 supplies).
- It is assumed additional one-time appropriations will be made for the purpose of block grants in the future when the first appropriation of \$100,000,000 is expended on block grants. The extent and timing of such future appropriations are unknown and dependent upon several unknown factors.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jem